



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Pwyllgor Deddfwriaeth Rhif 1
Legislation Committee No. 1**

**Dydd Iau, 24 Medi 2009
Thursday, 24 September 2009**

Cynnwys
Contents

- 3 Cyflwyniad, Ymddieheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 4 Y Mesur Arfaethedig Cludo Gwastraff i'w Adfer (Ymgysylltiad Cymunedau â'r
Trefniadau) (Cymru)—Cyfnod 1, Sesiwn Dystiolaeth 2
Proposed Shipment of Waste for Recovery (Community Involvement in Arrangements)
(Wales) Measure—Stage 1, Evidence Session 2

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included. This is a draft version of the record. The final version will be published within five working days.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar	Plaid Cymru The Party of Wales
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rosemary Butler	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Ann Jones	Llafur Labour
Huw Lewis	Llafur Labour
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol
Others in attendance

Tim Peppin	Cyfarwyddwr, Materion Adfywio a Datblygu Cynaliadwy, Cymdeithas Llywodraeth Leol Cymru Director, Regeneration and Sustainable Development, Welsh Local Government Association
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Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Claire Griffiths	Clerc Clerk
Gwyn Griffiths	Cynghorydd Cyfreithiol Legal Adviser
Hayley Jones	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.28 a.m.
The meeting began at 9.28 a.m.

Cyflwyniad, Ymddieheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Rosemary Butler:** Good morning, everyone. Welcome to the first Legislation Committee No. 1 meeting of the autumn term. I remind Members that the committee operates bilingually and that the headsets can be used for translation purposes and to amplify the sound. Channel 0 will give you the verbatim broadcast, and channel 1 will provide a translation. I remind you to turn off all mobile phones, pagers and any other electronic devices—as long as switching them off does not threaten your life—as they interfere with the broadcasting system. We are not expecting a fire drill, but if there is an alarm, the ushers will escort people from the room.

[2] I remind you not to touch the microphones, because they will come on automatically. It is always confusing because, in some places, you have to press a button, and in others you do not.

9.29 a.m.

Y Mesur Arfaethedig Cludo Gwastraff i'w Adfer (Ymgysylltiad Cymunedau â'r Trefniadau) (Cymru)—Cyfnod 1, Sesiwn Dystiolaeth 2
Proposed Shipment of Waste for Recovery (Community Involvement in Arrangements) (Wales) Measure—Stage 1, Evidence Session 2

[3] **Rosemary Butler:** We are here to start our deliberations on the Proposed Shipment of Waste for Recovery (Community Involvement in Arrangements) (Wales) Measure. The purpose of this meeting is to take oral evidence from the Welsh Local Government Association in connection with this proposed Measure. I welcome to the meeting Tim Peppin, who is the director of regeneration and sustainable development for the Welsh Local Government Association. We have a number of questions for you this morning, and once we have finished, if there is anything that you would like to add, please feel free. I will start: could you confirm for the record whether you support the general principles of the proposed Measure and whether you think there is a need for this legislation?

9.30 a.m.

[4] **Mr Peppin:** No-one could be against the idea of making more information available, but I do not think that the WLGA can support the proposed Measure as it stands. There are a number of reasons why I say that, on a number of different levels. First, on a practical implementation level, we have issues regarding the availability of information. Authorities have deals with brokers who pass materials on and, at the moment, under the current legislation regulations, there is no requirement for exporters to supply the information that is proposed in this Measure. That would mean that authorities cannot get hold of the information that it is proposed they make available.

[5] The information that is collected about destinations is already part of the system of WasteDataFlow, which I know you have discussed in previous meetings. There may be ways that we could improve that system to make more information available. However, whatever measures we take will involve increased costs because of practical implementation, and depending on how we approach it, those costs could be small or large.

[6] One of the more fundamental issues of practical implementation is that this is focusing on the 10 per cent of municipal waste, but there is a lot more waste out there, and under the other LCO that is being taken forward on the wider environmental protection issues, we believe that there is scope, if we want to address this issue, to do so in a more holistic way, setting out requirements for the processors and brokers as well as local authorities. So, those are some of the practical issues. In terms of—

[7] **Rosemary Butler:** I will stop you there—that was a comprehensive answer, and I suspect that you were about to move on to issues that we will come to later.

[8] I think that you are saying that you are in broad agreement with the key principles of transparency and proximity. I believe that that is what you said in the written evidence. Are you content with the way that local authorities are currently dealing with recycle? In particular, is the shipment of waste for recovery sufficiently transparent? That is our concern. If it is, what evidence do you have of that?

[9] **Mr Peppin:** At the moment, local authorities comply with the requirements that exist in legislation, so they are doing what is required. Whether there are benefits in having more information available about the source and the destination of that waste is the issue up for

discussion. Would it really help to take things forward? At the moment, local authorities have systems in place and contracts negotiated; it is quite a complex set-up, and there is a danger in tinkering with that. If we are to look at this, it would be beneficial to do so in the round, rather than piecemeal. We have to ask ourselves the question: where does that extra information take us? What would it allow us to do that we are not doing at the moment? Previous discussions at this committee's meetings have focused on the fact that, while we would agree with the proximity principle, we are subject to international commodity markets—I know that you have discussed this at length already. Waste is a resource, and the material that does not go for disposal as residual waste, is a commodity that is subject to international markets, and so while, yes, the notion of proximity is fine in principle, the way that authorities need to deal with the waste means that they have to negotiate contracts and get the best possible deal for their local residents. Therefore, at the moment, under the existing legislation, local authorities are doing everything that they can.

[10] **Rosemary Butler:** I think that Nerys Evans's point is that if the information is not being collected, how can transparency be achieved? That is something that we will be pursuing.

[11] **Eleanor Burnham:** Yr wyf yn meddwl eich bod wedi ateb rhan o'm cwestiwn, ond gan ein bod yn gwneud hyn yn ffurfiol, fe'i gofynnaf beth bynnag ac fe allwch chi ddweud os ydych wedi'i ateb eisoes. Yn eich cyflwyniad, fe ddywedwch fod awdurdodau lleol eisoes yn rhoi cymaint o wybodaeth â phosibl ynghylch pen draw taith deunydd i'w ailgylchu. Yr ydych yn dweud eich bod yn meddwl bod hyn yn wir, ond mae'n dal i ymddangos i'r cyhoedd, a'r person a ddaeth â hwn gerbron, fel pe na bai digon o wybodaeth gan awdurdodau lleol ynghylch y mater. Wrth ystyried hyn, a ydych yn derbyn y byddai'n fanteisiol gwella'r sefyllfa, a bod dirfawr angen gwneud hynny, er mwyn i'r cyhoedd wybod beth yn union sy'n digwydd?

Eleanor Burnham: I think that you have answered part of my question, but as we are doing things formally, I will ask it anyway and you can tell me whether you have answered it. In your submission, you state that local authorities are already providing as much information as possible on the destination of recycle. You say that you believe it to be true, but it still appears to the public, and to the person responsible for this proposed Measure, that local authorities do not have enough information on the matter. Given this point, do you accept that improving the situation would be beneficial, and wholly necessary, so that the public can know exactly what is going on?

[12] **Mr Peppin:** As I said earlier, I do not think that anyone is against the idea of giving more information. A more informed society is able to deal with the issues that we face on recycling and waste minimisation in a much better way. So, no-one is against it. However, our concern is about taking a sledgehammer to crack the nut. Are we introducing unnecessary additional requirements at present when we could look at this more across the board by looking at the total waste issue under the proposed LCO that would allow the requirement to be placed on the waste processors? The information we need could then be collected in a more systematic way and made available to the local authorities. At the moment, the proposed Measure focuses on the local authorities because that is where the competence is, but the authorities do not have the ability to force companies to give them that information.

[13] **Eleanor Burnham:** A oes gan hyn rywbeth i'w wneud â'r amser a gymerir? Bu ichi ddweud gynnu mai adnodd yw peth o'r gwastraff, felly efallai y dylid rhoi mwy o amser yn y broses o safbwynt pen draw'r daith.

Eleanor Burnham: Does this have anything to do with the time that it takes? You said earlier the some of this waste is a resource, so perhaps more time should be built into the equation in terms of the waste's destination.

[14] **Mr Peppin:** Absolutely. Material will go off to a broker, and it may be aggregated with other waste streams, which, under the new waste strategy, is to be encouraged. We are trying to deal with waste streams, so we do not want to deal with glass from the local authority sector separately from glass from the commercial or industrial sector. If all that glass is aggregated and then shipped off somewhere, broken up and treated, it becomes difficult to record the detail of what from a local authority has gone where.

[15] **Eleanor Burnham:** Yn eich tystiolaeth ysgrifenedig, fe awgrymwch y dylid cael dull gwirfoddol ar gyfer casglu a chyhoeddi gwybodaeth gan awdurdodau lleol. Allwch chi sôn mwy am hyn a sut y byddai'n wahanol i beth sy'n digwydd eisoes?
Eleanor Burnham: In your written evidence, you suggest that a voluntary approach to the collection and publication of information by local authorities should be adopted. Can you expand on this, and how would it differ from existing practice?

[16] **Mr Peppin:** We are happy to discuss the possibility of building on the existing WasteDataFlow system, because it contains a destination field. At the moment, we do not have the information to insert in that field. We could look at improving, over a period of time, the quality of that information. I know that you have looked at the issue, and it could be possible, when contracts come up for renewal, to discuss this with the people we are dealing with in order to include that information. There would be issues, as some would say that it is commercially sensitive, and because we would be putting additional requirements on them they may offer a lower price. So, there would be issues about the value of the contracts should we need to renegotiate. In principle, over a period of time, you could look to improve the quality of the information on the destination under a voluntary arrangement.

[17] **Eleanor Burnham:** A fyddai'n bosibl ichi ddweud ychydig yn fwy? Nid wyf yn siŵr fy mod wedi deall yn union sut y byddai'r cwmnïau'n gallu cynnig pris is pe bai'r wybodaeth ar gael.
Eleanor Burnham: Could you expand on this point a little? I am not sure that I have understood correctly how the companies could offer a lower price if this information were available.

[18] **Mr Peppin:** If we renegotiate contracts and we ask them to provide more information on destination, which involves additional work for them, then they may say that it will cost them money and therefore they will give us a lower price for the materials that they take off us.

[19] **Eleanor Burnham:** Yr ydych yn pryderu yn eich cyflwyniad am y baich ychwanegol a fydd ar awdurdodau lleol i ymateb i ofynion y Mesur arfaethedig. A fyddai dull gwirfoddol o gasglu a chyhoeddi gwybodaeth yn ysgafnhau'r baich a fydd yn eu hwynebu, o'i gymharu â'r sefyllfa o dan y Mesur arfaethedig? Os hynny, pam?
Eleanor Burnham: You raise concerns in your submission about the additional burden that will be placed on local authorities to respond to the requirements of the proposed Measure. Would a voluntary approach to data collection and publication alleviate the pressure that they will face, as compared with the situation under the proposed Measure? If so, why?

9.40 a.m.

[20] **Mr Peppin:** That is a difficult one to answer in a straight way because it depends how the voluntary arrangement works. If it were done as part of an arrangement with a requirement on the exporters and the brokers to provide the information to local authorities, it would be relatively straightforward for them to collect that information, upload it onto the WasteDataFlow, and submit it. If it were a question of local authorities having to try to source that information under a voluntary agreement, it could be very resource intensive, as they

would have to spend a lot of time in meetings trying to negotiate a way to get that information, and chasing it up if they did not get responses. So, it depends on which way the voluntary system works.

[21] **Eleanor Burnham:** Mae Nerys Evans, yr Aelod sydd wedi cyflwyno'r Mesur arfaethedig, wedi honni mai'r unig ffordd o warantu bod awdurdodau lleol yn darparu'r wybodaeth angenrheidiol yw drwy'r Mesur arfaethedig hwn. A ydych yn derbyn bod hynny'n wir? Os na, pam hynny?

Eleanor Burnham: Nerys Evans, the Member who introduced the proposed Measure, claims that the only way to guarantee that local authorities provide the necessary information is through this proposed Measure. Do you accept that that is true? If not, why not?

[22] **Mr Peppin:** It is hard to deny the fact that if there is a legal requirement on an authority to do something, it is much more likely to happen than if it is a voluntary requirement. The reason why there may be a better way of dealing with this is that there is a wider proposed LCO that could tackle the issue in a better way, because it would look at all waste streams and put the onus on the collectors and brokers to record the destinations, who are in a better position to do so.

[23] **Nick Ramsay:** The question that I was going to ask has been covered by the very full answer given to the previous question, so instead I will ask a supplementary. From what I can gather, you think that the proposed Measure should not just apply to local authorities, and that it would be fairer if it applied to other organisations and all waste streams. Would you be more inclined to support it if that were the case, or do you think that the proposed Measure is unnecessary in any case?

[24] **Mr Peppin:** If we are to do it, it makes sense to look at waste in the round. There are still questions to be asked about whether what we are trying to achieve is where we need to go under the new waste strategy. That strategy encourages us to look at our ecological footprint and at life-cycle assessment. Under that system, we look at the best closed-loop recycling that we can achieve, and that does not necessarily mean the most local. I know that you have looked at this in a previous meeting, but it may make sense—in an ecological footprint sense and in a carbon reduction sense—to export waste. That may be the best system if the recyclate goes somewhere where there are economies of scale. It can be recycled, used in a manufacturing process and exported back. It may be easier to make sure that the material is kept in a closed loop by taking something further away than by using a local facility, as that local facility may not be making the most efficient use of resources in its recycling type. For example, if the recyclate were glass, it is better for the glass to be recycled into a glass use again so that energy is not wasted or the resource of the original glass lost. If it goes to a local recycling facility that crushes it and puts it into aggregate for highway use, in resource-efficiency terms, that may not be the best way even though it is the most local one. So, sometimes we are better off, under the ecological footprint and carbon reduction systems, looking at the best and most resource-efficient way of using that material.

[25] To answer your question, I am not sure that having that information on where the recyclate has gone necessarily helps in that regard. What we need to know is whether we have the right method of dealing with that waste stream, rather than knowing where it has ended up. Maybe it is a part of the answer, but it is not necessarily the whole answer.

[26] **Nick Ramsay:** That is very interesting, because it goes to the heart of what this proposed Measure is trying to achieve and your organisation's view on that. When we spoke to Nerys Evans in June or July about her proposed Measure, a big concern that we had was its relation to the Assembly Government's proposed environmental protection and waste management LCO. Was it necessary or premature, and would the things that she was trying to address be addressed by that proposed LCO? What is the WLGA's view on that? Do you

think that the proposed Measure is premature, or is it a timely opportunity for a Member proposed Measure to be brought in?

[27] **Mr Peppin:** We feel that it is premature. The wider proposed legislative competence Order would give the Assembly the power to intervene where it needs to. At the moment, the proposal is intervening by putting the requirement on the local authority, which is perhaps not the best way to get the information.

[28] **Nick Ramsay:** When we spoke to Nerys about it, her view was that, although she clearly supported the proposed LCO relating to environmental protection and waste management, her proposed Measure was necessary to flesh it out and achieve the specific things that she wants to achieve. However, it seems that you do not think that that specificity is necessary. You think that it could be addressed by the more general proposed LCO.

[29] **Mr Peppin:** I think that you could flesh it out better by widening it to other waste streams if that is what it is felt is needed, and then you could look at the situation in the round—if that is felt to be in line with the latest waste strategy. It would be better dealt with as part of the wider proposed LCO because you could then ensure that what you are asking for is contributing to the objectives of the ‘Towards Zero Waste’ strategy.

[30] **Huw Lewis:** Tim, I want to turn to the section in your written evidence concerning public confidence. You make some fairly bald points here that I would like to explore with you. The overall thrust of what you are saying here is that the proposed Measure could jeopardise public confidence in recycling. Why do you think that?

[31] **Mr Peppin:** There is some really good work going on across Wales at the moment to encourage the uptake of recycling. Many authorities are now introducing food waste composting, and we are seeing participation rates increase and recycling on an upward trend. That is all good news and is all very positive. Our concern about the proposed Measure is that it seems to be predicated on the basis that if stuff is not being dealt with locally, it is being exported and that it is therefore a waste of people’s time bothering to recycle, or that there is no point separating waste into different containers because the local authority will just ship it off without there being any benefit. I fully understand why the proposed Measure wants to be transparent and encourage people to understand what is happening, but we would need to engage in a major public information campaign to explain completely why we deal with waste in the way that we do if we are not to have the negative reaction that people feel that they are spending a lot of time separating out waste for no reason because it is just going to be exported and that that does not help because some of the places the waste is exported to exploit people and so on. Those are some of the misconceptions or fears about what happens when waste is exported. So, it could have a detrimental effect on the positive trend that we need to stay on if we are to hit those all-important targets.

[32] **Huw Lewis:** What you are really saying is that, if we did all this, the public would not understand certain aspects of why recycle is treated the way it is. I think that you are giving a very concise explanation that I understand, so on what basis are you saying that the public would not understand?

[33] **Mr Peppin:** We tend to talk about the public as a homogenous group. There are many different opinions held by the public. Some people will take a genuine interest in this and want to know all the facts and figures. Other people will do it because that is the system that has been introduced by their local authority for dealing with waste. Others are completely disinterested and think that it is a complete waste of time. We have to be careful of the messages that we give out. Waste Awareness Wales is housed within the WLGA, and we run a number of the national campaigns. We are increasingly moving that campaign down to a local level, so that the work of the local authorities is integrated with the national messages.

In that way, we have a two-pronged approach, with the national messages being reinforced by what the local authorities are doing at a local level. We are trying to standardise messages and communicate a consistent message at a level that we think works in the community. I am not saying that we would not want to continue to increase awareness and get the right information out there; what I am saying is that those information and awareness campaigns are expensive, and you can do a lot of damage by giving the wrong messages out. So, we are not against raising awareness or increasing understanding; we just need to do it in a careful way.

9.50 a.m.

[34] **Huw Lewis:** As you say, you are already doing this, are you not? The campaign to promote recycling is about raising awareness and promoting public understanding. Would this not just be another aspect of that work? Could you not find a meaningful way of incorporating Nerys's proposals in the public information that you already disseminate?

[35] **Mr Peppin:** We could certainly deliver a public information campaign that explains more about why waste is dealt with in the way it is. Part of our work programme for this year is to do with increasing public awareness of why, for example, anaerobic digestion and energy-from-waste facilities will be required so that the targets are met. We are involved in existing campaigns, and they are expensive. If we want to raise public awareness of what happens to exported waste, it would have to absorb a resource in its own right, as we would have to put people onto it. It is possible to do that, but there are resource implications.

[36] We are asking whether it is necessary to understand the whole system. It is a bit like asking whether you need to understand everything under the bonnet of a car before you can get in and drive it. Do we need to put all the resource into explaining how the international commodity markets work and what happens to recycled material? If we do, that is fine, but we need to resource that public information campaign. Or would it be better to get the general messages out about why it is important to recycle, what your local authority is doing, and the importance of avoiding the fines if we miss the targets?

[37] **Huw Lewis:** I see what you are saying, but I am trying to get to the nub of this. Are you not really advocating a need-to-know strategy when it comes to the public? In its written evidence, the WLGA says that it is worried that if the public got to know this stuff, it would not like the information it received. That is pretty questionable stuff, is it not? That really is the central point of what Nerys Evans is trying to say. Let the public make a judgment as to whether they like what is going on based on all the available information. I am concerned about that phrase that we should not let people know something because they might not like it.

[38] **Mr Peppin:** It is the way the information comes across that is our concern. Perhaps that point has not come through clearly. The danger is that the information will get distorted. If the message can be put across clearly as part of a campaign, and if we can put the resource into doing that, I am all for it as a public education exercise to raise awareness. The danger is that there is information in the public domain on websites that people misinterpret, and then you get the rumours and discussions in communities. 'Have you seen what this or that authority is doing? It is shipping all this stuff off to China. We thought it was all being recycled in the local area and being used for products in Wales'. What I am trying to say is that that is not how the international economy works. We ship in large amounts of manufactured materials from China, which is where we buy many of our goods from now, and that is where a lot of the recycle material needs to go, because it will be recycled and reused in China to create the products that then come back to us.

[39] **Huw Lewis:** If that is the truth, it is the truth. The point that Nerys has been making is that you should just trust the public to make a judgment, and if there is good logic behind

the shipment of waste, people will understand. At the same time, you made a point that people might be concerned that waste is shipped to areas where people are exploited. As a member of the public myself, I would really quite like to know that. Are you not just advocating a policy that is all about not frightening the horses and not really trusting the public?

[40] **Mr Peppin:** I am more than happy to include awareness campaigns. If this information were to become available and we had reliable information, we could certainly make it publicly available and have Waste Awareness Wales focus on it. We are certainly not against it. We do not currently have the information in a structured format—we explained earlier the reasons why we do not have that. There is a danger that we go off with half a story without being able to answer all of the questions, because we do not have all of the information. If we go out with a poor information campaign that does not answer all of the questions, suspicions are raised, people get concerned about it and it could have a negative effect on their behaviour.

[41] **Huw Lewis:** Do you anticipate that local authorities would do this poorly?

[42] **Mr Peppin:** Do what poorly?

[43] **Huw Lewis:** You mentioned that, if we go out there with half a story and a poor interpretation of the recycling system, it would be a problem, but why should we anticipate that local authorities would necessarily do this poorly?

[44] **Mr Peppin:** If you had to explain to the public what we are doing with recycling and where it is going—if that was the essence of the campaign—we do not currently have that information. It would be a poor information campaign, because we would be saying, ‘Look, this is what we do with our waste but we can’t tell you the whole story’. The waste goes to brokers and to export, but we do not know where it all goes, because the information is not collected. We would only give half the story. The general public would ask why we did not know and would think that there was something to hide and that there must be something going on. They would not be happy with what they were told. I do not think that it would be sensible to try to mount that sort of campaign until we have the full picture

[45] **Rosemary Butler:** Eleanor wanted to ask a supplementary question.

[46] **Eleanor Burnham:** Is it the answer to Huw Lewis’s question or the answer to my question that concerns you most? Is it the cost, which is what you were discussing earlier with me, or is it the issue of the half-baked story, because you do not have all of the information?

[47] **Mr Peppin:** It is an element of both. I still come back to the point of asking whether this is the information that we need to deliver the ‘Towards Zero Waste’ strategy. We need to be sure that it will help us, in delivering the strategy, to collect the information, because there would be costs involved in collecting it, and there is a danger of making sure that we get the message out right. So, there are risks that we are building into the system.

[48] **Ann Jones:** That leads nicely to information collection, which you have mentioned a few times. Can you expand on why you think that it is difficult for local authorities to provide the information that is required in the proposed Measure under section 55A(5), which gives us a series of what we would expect to be collected?

[49] **Mr Peppin:** I think that it comes back to the points that I made earlier. The difficulty is that authorities cannot get all of the information required, because the people to whom they pass the material on are not currently required to collect that information and pass it back to the local authorities.

[50] **Ann Jones:** In her evidence, Nerys suggested that the information that is required in this proposed Measure should be relatively straightforward for local authorities to obtain. She has implied that all that private companies need to do is to collect the relevant information and pass it on to the local authority. Is that the experience of local authorities? Obviously, it is not, so, what needs to be done to make that happen?

[51] **Mr Peppin:** As I said earlier, if there was a requirement on the processors to pass that information on to the local authorities, it would be a relatively straightforward process. They would be required to pass the information on to the local authorities, which could then collect it and add it to the WasteDataFlow, which could be amended to include the destinations. At present, there is no requirement on them to do that. Local authorities could ask but they would have no guarantee that they would necessarily get that information.

[52] **Ann Jones:** Is that not what Nerys is trying to do with her proposed Measure?

[53] **Mr Peppin:** Nerys is trying to force the local authorities to be responsible for collecting and publishing the information. The Assembly's competence only lies in putting pressure on the local authority. The wider proposed LCO would give the Assembly the ability to put that pressure on the companies, because it would be a wider waste Measure.

[54] **Rosemary Butler:** Oscar has a supplementary question on that issue.

[55] **Mohammad Asghar:** Yesterday's issue of *The Independent* told us that 2,000 tonnes of UK municipal waste was exported to Brazil labelled as recycled waste. It states,

[56] 'Among the items already found are nappies, which are being tested for e-coli contamination, cat food pouches, rusting tin cans, syringes and rotten food'.

[57] Investigators are unable to determine the source of rubbish. Do you think that this is a good example of why local authorities should be sharing information?

10.00 a.m.

[58] **Mr Peppin:** The example that you gave is exactly the sort of thing that we all want to see stopped. Local authorities are working towards collecting their waste in various material streams, either by collecting source-segregated materials or by taking it to a material recycling facility and sorting the materials there. So, they are putting effort into gathering materials in their commodity types and those commodity types can then be bundled and passed on to people who will take it off their hands on a contractual basis. What happens when those processors bundle up various types of waste and export it is one step removed from the local authority. Yes, we need to find out what has gone wrong in the system and why that is happening, but provided that the local authorities are source-segregating materials and passing them on to a processor, the local authority is fulfilling its part of the deal. Perhaps the focus needs to be more on what happens to those materials once they are bundled up and taken for export.

[59] **Rosemary Butler:** Thank you. Ann, do you want to carry on?

[60] **Ann Jones:** What type of information or level of detail do you think it is reasonable to expect local authorities to provide in relation to the shipment of their waste?

[61] **Mr Peppin:** If there is interest in what is happening to the waste, local authorities should provide any information that is required by the public. If there is a desire for more information on the destination, then we need to work with the Assembly and with the processors to try to make that information more widely available. It is good if the public takes

an interest in waste issues and resource efficiency. As part of our work on sustainable development, we all want to see resource efficiency become a much bigger consideration. Information is crucial to that. So, authorities should be willing and happy to provide any information on what they are doing with their waste, but we need to bear in mind that, for any information system that is set up, there are resource implications. We already collect a lot of information on waste through WasteDataFlow. Rather than setting up new and separate systems, it is always better if you can build on what already exists.

[62] **Ann Jones:** Clause 1 of the proposed Measure, which relates to section 55A(8) and (9) covers instances where information required under this proposed Measure is not held by the authority or available to it. It states that an authority must take reasonable steps, should this proposed Measure be enacted, to obtain that information. Does the inclusion of this provision help to address your concerns that local authorities will find it difficult to provide that required information, or, as you have just said, if authorities are holding some of that information now, what is the problem with releasing it?

[63] **Mr Peppin:** It comes back to the question that you debated previously in this committee: what are 'reasonable steps'? If an authority does not hold certain types of information, it can ask for and seek that information from the contractors that it is dealing with. Is that a reasonable enough step? If it asks and does not get the information, has it done enough, or does it need to take that matter further? Should it take it up more formally with the company, perhaps take legal action or renegotiate the contracts? What would be reasonable? It depends very much on how far an authority is expected to go to get the information and the cost benefit. There is always a cost attached to collecting information and we need to know whether that information is yielding an equivalent benefit.

[64] **Ann Jones:** So, you are really saying that if I was to ask my local authority where it had shipped the waste or what it had done with the waste, it could say that it is too costly for it to provide me with that information as a single member of the public.

[65] **Mr Peppin:** It would be perfectly reasonable for the authority to be expected to say what it does with its waste. For example, 'We collect this amount, we bundle it into commodities such as these and then we sell it on to these operators'. That is the information that authorities hold and that should be made freely available. If it goes beyond that, such as what happens once it has contractually passed on that material, then you start getting into the question of how far the local authority should be required to track down what those further agents do.

[66] **Ann Jones:** We mentioned contracts earlier. When Nerys Evans came to committee, she suggested that, in the longer term, local authorities could build this provision of necessary information into their contract with the private waste companies to ensure that they could meet the requirements of the proposed Measure. Is that reasonable?

[67] **Mr Peppin:** It is something that we can certainly look at and discuss. We would need to discuss it with the authorities, but it would certainly make sense to look at it. If it is seen as a valuable piece of information and if it is in the interest of the general public to know where that material is going, it would make sense to build that into contracts as they are renegotiated. However, as I said earlier, there is a danger that some processors will say that you are involving them in more work, that there is more paperwork for them to deal with, more systems for them to set up, which means that there is a cost for them so they will reduce the price that they pay you for the material.

[68] **Nick Ramsay:** On the question of the publication of the required information relating to section 55B, in your written evidence, you seem sceptical, to say the least, about the role of the proposed Measure in increasing participation, community involvement issues and all that

side of it. Why do you think that section 55(b) in particular is ineffective in achieving the aims of the proposed Measure?

[69] **Mr Peppin:** I know that when Nerys gave evidence, she said that she wanted to try to identify a low-cost way of doing this and that putting information on the website would be a fairly low-cost process. Our work with Waste Awareness Wales shows that the most effective way of achieving behaviour change and getting increased interest in waste minimisation and recycling is by working in the community, for example, doorstepping, explaining to people how the new systems being introduced operate and by answering questions and using a much more hands-on approach. If you put information on a website, only a limited number of people will find it useful and will go to the website to seek it out; whether it would attract the attention of the majority of the public is a questionable point.

[70] **Nick Ramsay:** However, you accept that doing it the way Nerys suggests would keep the costs down. While I accept that doorstepping and having a more hands-on approach would be more effective, it would have a greater cost implication would it not?

[71] **Mr Peppin:** It would, but putting the information on the website is only a low-cost option if that information is already available. If you have to seek out that information, the cost escalates.

[72] **Nick Ramsay:** Do you think that it is reasonable for the public to make representations under section 55?

[73] **Mr Peppin:** As I said earlier, some members of the public are desperately interested in this subject area and will, therefore, make representations, but whether this subject would capture the public's imagination and involve a large percentage of the population is questionable.

[74] **Nick Ramsay:** Nerys was clear when she gave evidence that, at the end of the day, it is for the local authority to have regard for this and that the decision remains with the local authority after all the consultation and the publication of the information. Does that allay any of your concerns about the proposed Measure?

[75] **Mr Peppin:** It is right that it is down to the local authority at the end of the day, because it is the democratically elected body to make the decision at the local level. We need to be careful that we do not end up with representations based on inaccurate information, which involves a lot of time and effort in terms of trying to explain why something is not possible.

[76] The waste sector has become a far more complex area over recent years. The teams across authorities are massively stretched at the moment in terms of the work that they are expected to do. Additional areas of work are being introduced, which could tie up lots of time and would not necessarily be productive. It would be good if you were countering misconceptions and getting the right messages across, because there is value in that, but we have to weigh up the opportunity cost in terms of the time spent doing that type of activity as opposed to tackling some of the other pressing demands on authorities at the moment.

[77] **Nick Ramsay:** Do you think that it is reasonable for an authority to be required to do this? Aside from the cost, which is part of it, do you think that it is reasonable to ask an authority to do this? Will the amount of gain and the number of people interested in this justify the money and time that a local authority would spend on it?

[78] **Mr Peppin:** On publishing information on their websites?

[79] **Nick Ramsay:** Yes, specifically on the publication part.

10.10 a.m.

[80] **Mr Peppin:** As I say, if the information can be made readily available to the local authorities, the local authorities would be more than happy to publish that information on their websites. I am sure. As part of the local authority's role in engaging local communities and making them aware of local issues, it is absolutely spot on in terms of what we should be doing. I would have concerns if we ended up putting a lot of resource into gathering information that does not add much value. If the information takes a lot of resource to gather and then people do not find it useful, or if the way in which they are using the information to ask for things that do not make sense in terms of the waste strategy, we would be spending a lot of time going around in circles trying to sort out some of those issues.

[81] **Nick Ramsay:** That was very helpful; thank you.

[82] **Huw Lewis:** On these issues of information, is it not a good thing in itself for all partners involved in recycling to bear in mind the most environmentally friendly end-point possible and to bear in mind the people who end up dealing with our waste, for instance? Are we currently in a situation where we might be allowing local authorities to not explain to the public exactly where its waste is going, and to put their heads in the sand and think that as long as they have got rid of their waste to a recycling company they can just forget about it? I think that the army have weapons that are called 'fire and forget'. The authorities may be thinking, 'We can just forget about that now; we have handed it over, so it is not our problem any more'. Despite the fact that the public is paying for this deal, no-one really knows the pattern of disposal and recycling involved. Is this not what Nerys is trying to correct?

[83] **Mr Peppin:** I think that it is. As I said earlier, the problem is that the proposed Measure is coming in at the wrong level. If the requirement was focused on the processors and on the contractors reporting the information, then that information would be readily available for the local authorities to help them in that decision. At the moment, that is not a requirement on the companies. Local authorities may want that information, but it is not currently a requirement for them to be given it.

[84] **Ann Jones:** I just wanted to pick up on what you said in answer to Nick. You said that all local authorities would display this information on their websites. Do local authorities currently display on their websites where their contracts are and what happens with their waste?

[85] **Mr Peppin:** If you look on local authority websites in the waste area, there is a good range of information from all authorities about what facilities are available. On the Waste Awareness Wales site, there is information on all the different collection facilities that exist and where you can take your goods. That is the information that the general public wants, in the main. The public wants to know how to deal with waste, where various goods can be taken to be recycled and where the local facilities are. In terms of public demand, that is the sort of information that it wants and that is what is on the website. We do not get many requests to local authorities asking where the waste is going.

[86] **Ann Jones:** I doubt that the level of information that you have mentioned is available on the websites of all local authorities. If you have that information now, you should put it out there and then people will judge. As the information is not out there in the first place, people will not ask for it.

[87] **Rosemary Butler:** Perhaps we can all check our local authorities' websites to confirm that.

[88] **Ann Jones:** It would be interesting to see.

[89] **Mohammad Asghar:** In your submission, you raised concern that the proposed Measure could compromise the ability of local authorities to achieve Best Value. Would you expand on your concern on that, please?

[90] **Mr Peppin:** This comes back to an earlier point that I made. With regard to negotiating the contracts when we have the waste bundled up and ready to go, local authorities will look for the best deal in the round. Price will be a factor, but they will also take into account other considerations, such as socioeconomic and environmental issues. They will look for the best way of dealing with that waste that they need to recycle or dispose of. There is a danger with the proposed Measure that if there was a restriction on that ability to negotiate, you would not get the best price for your materials. If you had to use a local facility, what could potentially happen is what I talked about earlier, namely, because you are making these additional requirements for the provision of information, the processors could say, 'You are asking for more information than is required elsewhere, therefore we will give you a less decent deal than you would get in other circumstances'. You may therefore find that the price you get for your commodity is reduced because you are making additional requirements. Does that make sense?

[91] **Mohammad Asghar:** As you know, the duty of local authorities in relation to Best Value will soon be replaced through provision in the proposed Local Government (Wales) Measure 2009. Do you anticipate the same problem under the new arrangements?

[92] **Mr Peppin:** The same points apply. It would involve expanding on that social, economic and environmental consideration. The wellbeing of your residents is a critical consideration, and that ties in with wanting to ensure that you deal with waste in the best possible way.

[93] What I am trying to say is that it does not necessarily follow that dealing with waste locally is best economically, socially, or environmentally. There is the proximity principle, and certainly, for a lot of the residual waste, you want to get rid of it as close to home as possible. When you talk about the recycle markets, however, they are more international, and you have to negotiate with the contractors where you will get a deal, bearing in mind what I said earlier about material streams. If you want the most environmentally advantageous solution, you will want to ensure that where you take the recycle and the contractor that you deal with will, as far as possible, be closed-loop recycling, rather than materials going off and being used for a form of recycling that is perhaps not in the best environmental interests.

[94] **Mohammad Asghar:** In contrast with Nerys Evans AM and the Minister for the environment, you suggest that there is potential for a proposed Measure to undermine the Welsh Government's new waste policy, 'Towards Zero Waste'. Can you expand on that point?

[95] **Mr Peppin:** It picks up the points discussed earlier. The new waste strategy is clear about looking at closed-loop recycling, ecological footprints, and whole-life costs, and with waste streams, that leads you to consider the best way of dealing with material that has been used when it comes back to you and you decide that you can recycle it. The strategy 'Towards Zero Waste' says that it is far better to recycle in a closed-loop system, in which a can goes back to being a can. That is the best way of recycling. Given the international markets for that sort of commodity, we cannot guarantee that there will be local processes, as we do not have the infrastructure or the capacity to deal with all the remanufacturing and to create the products within Wales, particularly given the way in which international commodity markets

and consumer markets currently work. In a different set-up, that might be a nice way of doing things, but under current arrangements, you are tied into the international trading systems.

[96] **Mohammad Asghar:** I have a similar question on the impact on competitiveness. Can you expand on why you believe that the proposed Measure would result in Wales becoming less competitive in the recycle market?

[97] **Mr Peppin:** It is because of the fact that you are making additional requirements of the processors, who may decide that there are more profitable routes to do things where those requirements are not placed on them. There is a danger that you make the market less attractive in Wales, unless those requirements are applied across the UK, for example. You are adding to the requirements on the processors, and, as I said earlier, that imposes costs on them as they have to do more work to gather the information. So, there is a risk that you will be seen as a less attractive market by those operators.

[98] **Eleanor Burnham:** May I ask another short question? Is that okay?

10.20 a.m.

[99] **Rosemary Butler:** You are down to ask another question.

[100] **Eleanor Burnham:** Has the economic downturn added extra pressure? For instance, my understanding is that, at the height of the buying, lots of goods were coming in from, for example, China on large containers and so on and, therefore, waste could more naturally be sent to those far-flung places, whether we liked it or not. Is the downturn in the economy adding an extra pressure on how waste is dealt with?

[101] **Mr Peppin:** There was a period when the bottom dropped out of the recycle market and prices went down dramatically. Many authorities have negotiated long-term contracts, which mitigate that risk. When the markets go up and down, those long-term contracts even it out. You do not necessarily get the maximum value during the high points but neither do you suffer during the low points. There were horror stories of massive stockpiles and, in some parts of England, there were examples of hangars of recycled material being collected, but most of the local authorities have those longer-term contracts that have eased through—

[102] **Rosemary Butler:** What do you mean by ‘long term’?

[103] **Mr Peppin:** I would have to check but I would say that that means around 10 years plus.

[104] **Eleanor Burnham:** Given what you have said, there has been a rethink about what we do with our waste, compared with what happened at the height of economic activity, when, naturally, more big ships were going to China and so on. Are we now more inclined, because of that and perhaps because of public pressure generally, to think about recycling locally?

[105] **Mr Peppin:** The Chinese economy is already picking up and the demand for resource over there is massive. In the overall international scale of things, it is very difficult to buck the market, if you like, and the demand will continue to come from Brazil, Russia, India and China.

[106] **Eleanor Burnham:** There is a very good reason why we have this proposed Measure before us and there is much more awareness on the part of the general public, which is very well informed about these matters, that we need to recycle as close to home as possible. Is the WLGA in tune with that, or are you always going to be raising the kind of issues that you

have raised this morning about the markets being all-important and that whatever we do and however much information we give, the markets are going to depress the price and so on and have an enormous influence?

[107] **Mr Peppin:** We are very supportive of trying to develop recycle markets and manufacturing opportunities in Wales that can use that recycled material. We are very supportive of the green jobs strategy on the back of that. At the moment, all the authorities are involved in working on anaerobic digestion procurement, which, in effect, is the composting of food waste. They are working on dealing with that close to home. However, with the composting situation, the question immediately arises of what you do with the digestate market. Is there going to be enough demand for all the compost that is produced from that anaerobic digestion? You cannot deal with this in isolation from market forces. You need to know that if we start to recycle things in Wales, we can do it economically and that the manufacturing that we set up will be able to compete in the world market. You could put a lot of investment into doing that and then find that you are undercut massively by China, for example, because of the cost of labour. You have to be able to develop recycle markets in areas where you can add value and you have to come in to niche areas where you stand a chance of being successful.

[108] **Eleanor Burnham:** Thank you. I just thought that we should have a global view of what we are doing.

[109] Yr ydych wedi rhoi tystiolaeth inni, a chlywsom mewn tipyn o fanylder yn gynharach y rhesymau negyddol ynghylch pam nad ydych am i'r cyhoedd gael mwy o wybodaeth. Yr ydych yn honni y byddai angen un person ychwanegol ym mhob awdurdod lleol i ddelio gyda'r materion hyn. Wedi dweud hynny, mae pobl eraill yn cwestiynu hyn oherwydd eich bod wedi cyfeirio at WasteDataFlow a'r ffaith eich bod yn hel yr wybodaeth. Paham yr ydych yn credu y bydd angen un aelod o staff llawn amser ym mhob awdurdod lleol i gyflawni'r gwaith a grëir gan y Mesur arfaethedig hwn? You have given us evidence, and we heard in some detail earlier about the negative reasons as to why you do not want the public to have more information. You claim that one extra person would be needed in each local authority to deal with these matters. Having said that, some people will question this because you have referred to WasteDataFlow and the fact that you gather that information. Why do you believe there is a need for one full-time member of staff in each local authority to undertake the work that will be created by this proposed Measure?

[110] **Mr Peppin:** What we were trying to say is that, if this is done properly, you cannot tag this onto an existing hard-pressed member of staff's job responsibilities. If it is a simple question of getting information, adding it onto WasteDataFlow and sticking it onto the website, that is a minimal requirement. However, that presupposes that that information is readily available. If the information is not readily available and someone has to go out and seek that information, it can be incredibly time consuming—going out, speaking to people, explaining why it is needed, negotiating, possibly, renegotiating contracts. There would be all of the time involved in building that in. If we are then going to involve the public in those debates, you need someone who can spend time doing that. It is no good generating an interest and saying 'here is the information' and then, when the general public comes in and asks for support and information, everyone saying that they are too busy to deal with it. It was based on the fact that you need a dedicated resource if you are to respond to this properly.

[111] **Eleanor Burnham:** Hefyd, buasech yn honni bod angen rhoi'r cyfrifoldeb ar y cwmnïau sy'n delio â'r gwastraff ar ran yr awdurdodau lleol. **Eleanor Burnham:** You would also claim that there is a need to place the responsibility onto the companies that deal with waste on behalf of local authorities.

[112] **Mr Peppin:** Yes. If they were responsible for reporting that information, it would make life a lot easier for local authorities. They could then receive that information, put it on the WasteDataFlow, and we could look at changing the current basis of WasteDataFlow and then make that information publicly available.

[113] **Rosemary Butler:** Taking on board your last two responses, particularly that you would need an extra member of staff, if the companies provided the information, you would still have to pay for it.

[114] **Mr Peppin:** Could you say that again, please? I did not hear.

[115] **Rosemary Butler:** If companies got that information, you would still have to pay them to deliver it.

[116] **Mr Peppin:** I guess that it would depend on what you negotiate with them in the contract. If it was part of the contract that the companies would supply that, then it could be built in. However, you are right, they would not give that to you freely; there would be a cost implication for them that they would look to pass on to us.

[117] **Rosemary Butler:** Bearing in mind the way in which you have answered the last two questions, how do you respond to the suggestion by Nerys Evans that the cost of the proposed Measure would be negligible? Are there any other additional costs that you can think of besides those that we have just talked about?

[118] **Mr Peppin:** Those would be the main ones. If you are going to work with the community on an issue such as this, then it requires time and effort to do it properly. There is a real risk in suggesting to the general public that we want it to make representations and to get involved. Assuming the information is there, you put it out and generate the interest and then when people come in, everyone in the local authority says, 'I am sorry, it is not in my job description', because they are tied up with the rest of the waste agenda. So, we would need someone who was responsible for overseeing the information, dealing with the public and making sure that it was picked up in future negotiations.

[119] **Nick Ramsay:** I would like to raise two things that arise from what you have just said. The first relates to the additional member of staff. As someone who was in a local authority before I worked here, once you start talking about extra members of staff, the alarm bells start to ring, particularly at times such as these when there are so many cutbacks in local government. Are you sure that it would require an extra member of staff and that that is the case across the board? I am a bit suspicious about that, because it is easy to say that you would need an extra member of staff. Could you give us some more detail on that?

[120] Secondly, if I have remembered correctly, you said earlier that you thought that it would put us at a disadvantage in Wales if this proposed Measure was implemented here and not in the UK. Did you mean that it would put our recycling at a disadvantage or would put our local authority budgets at a disadvantage, if that makes sense?

[121] **Mr Peppin:** On the first point, you are absolutely right to say that, in the current climate, many authorities have recruitment freezes and are looking at not filling posts. You would have to have a very strong argument for taking on additional people, especially given the way that finances will go in the next couple of years. So, it would be very difficult to win the case for an additional member of staff. However, that then puts the waste people in a difficult position, because they are fully stretched at the moment. There is a massive range of development going on in terms of food waste, new collection systems and preparing for residual waste.

10.30 a.m.

[122] At the same time, these are quite limited teams of people who are also expected to manage and run the service, which is a highly sensitive political service locally. If your refuse service is not working properly, it will be one of the first things to cause problems. The people who we are asking to do all of these things are the ones that are also doing the day job. So, it would mean placing additional responsibilities on a hard-pressed group of people, where there may have been early retirements and non-replacements; you may have already asked people to take on additional responsibilities. You can only stretch things so far, and that is why we think that if the proposed Measure is to be introduced and implemented properly, it is only fair for us to make the point that it would require additional staff resource, and that we could not do it on top of everything else within the existing workloads.

[123] In relation to the issue of Wales and other parts of the UK, if processors felt that what was on offer from the authorities in Wales was not as attractive, they would offer lower prices in Wales, which would impact on the deals that local authorities can strike. So, they would not get the same value for their recycled material. It would not necessarily impact on the recycling levels—it would just mean that there is less money to help the system work.

[124] **Rosemary Butler:** Does anyone have any further questions?

[125] **Huw Lewis:** This question was explored earlier, but if we were to change the contracting regime and phase in tougher contracts for the companies that deal with this waste and to demand higher standards in terms of better information from them, would this problem not just melt away and would we not end up with a more ethical and transparent waste recycling regime in Wales?

[126] **Mr Peppin:** We would, and it would also be possible under the proposed environmental LCO, which would give the Assembly the competence to place that requirement. At the moment, the requirement can only be placed on local authorities. However, as I have just said, it would come at a price. If you were to ask for that in the new contracts, it would involve a negotiation over the cost to the company of collecting and supplying that information. I do not know how much of the cost those companies would look to pass on, but there would be a price to getting that information.

[127] **Eleanor Burnham:** As a slight extension of that, we have seen how free markets have failed with banking—they have put us in an enormous mess. We are all becoming more ethical—the public is certainly becoming more ethical. We know, as Assembly Members, that questions are being asked all the time. Ultimately, would not the pressure in a competitive field affect all companies if they knew that everything had to be much more open and accountable? They could not depress the market price by so much, because there are competitive aspects to many other companies. If you cannot get one company to be ethical, surely there are other ethical companies that you can deal with. So, the opposite might happen in that we could generate much more ethical companies and the cost might not be depressed. I do not know—I am asking.

[128] **Mr Peppin:** I do not know until we test that, but there is a strong argument for leadership and saying that this is what Wales wants, and that we want to take that direction. However, if there are cost implications as a result, it is a question of whether or not it is an area of sufficient high priority, given all the other priorities into which we want to put more money.

[129] **Rosemary Butler:** To recap, what you are saying is that this proposed Measure is too narrow and that the broader proposed LCO that is being discussed would cover what Nerys Evans is hoping to achieve. Is that what you are saying?

[130] **Mr Peppin:** Yes.

[131] **Rosemary Butler:** Okay, thank you. We have asked you lots of questions, but is there anything in addition that you want to put forward?

[132] **Mr Peppin:** Only that I am interested in the process from here on in.

[133] **Rosemary Butler:** Are not we all? [*Laughter.*] We have a long way to go; we have a lot more evidence to gather, and we will then come to a conclusion. However, in the short term, the clerk will prepare a draft of the meeting that you can check before we print it.

*Daeth y cyfarfod i ben am 10.35 a.m.
The meeting ended at 10.35 a.m.*